



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

October 2, 2008

H.R. 2614

An act to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in certain water projects in California

*As reported by the Senate Committee on Energy and Natural Resources
on September 16, 2008*

SUMMARY

H.R. 2614 would authorize the Secretary of the Interior to implement two projects to reclaim and reuse groundwater in California. Based on information from the Bureau of Reclamation, CBO estimates that implementing H.R. 2614 would cost \$24 million over the 2009-2013 period, assuming appropriation of the necessary amounts. Enacting the legislation would not affect direct spending or revenues.

H.R. 2614 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2614 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars					
	2009	2010	2011	2012	2013	2009-2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	6	6	6	6	0	24
Estimated Outlays	4	6	6	6	2	24

BASIS OF ESTIMATE

For this estimate, CBO assumes that the legislation will be enacted near the start of fiscal year 2009 and that the necessary amounts will be appropriated each fiscal year. Estimates of outlays are based on information provided by the Bureau of Reclamation.

H.R. 2614 would authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to design, plan, and construct two projects to reclaim and reuse groundwater in California. The projects would be done in coordination with the Yucaipa Valley Water District and the City of Corona Water Utility.

CBO estimates that the Yucaipa project would cost about \$80 million, while the Corona project would cost \$16 million. Under the legislation, the federal share of all costs would be limited to 25 percent, and the Secretary would be prohibited from providing funds for operation and maintenance of the projects. CBO estimates that implementing the projects would cost \$24 million over the 2009-2013 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2614 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Funds authorized in the act to design, plan, and construct water projects would benefit the Yucaipa Valley Water District and the City of Corona Water Utility in southern California. Any costs to those governments, including matching funds, would be incurred voluntarily as conditions for receiving federal assistance.

PREVIOUS CBO ESTIMATE

On December 21, 2007, CBO transmitted a cost estimate for H.R. 2614 as passed by the House of Representatives on November 13, 2007. The two versions of the legislation are similar. The estimated cost of the Yucaipa project is now \$3 million higher than we estimated in November of 2007 due to new information from the Bureau of Reclamation.

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